

FROM THE DESK OF THE DISTRICT DIRECTOR

A few weeks ago, the SBA, with our sister Federal agency, the Minority Business Development Agency at the Department of Commerce, celebrated National Minority Business Development Week.

Since 1983, the President of the United States has signed a proclamation designating a week to celebrate the contributions made by minority-owned businesses to America's economy.

Preliminary data released by the U.S. Census Bureau in July indicates that there is much to celebrate. From 1997 to 2002, the number of African-American owned businesses grew nationally 45 percent. The number of Hispanic-owned firms increased 31 percent with the number of Asian-owned business increasing 24 percent.

In Georgia, these growth figures are even higher. The state's number of African American-owned businesses grew in the 1997-2002 timeframe 62 percent with the number of Hispanic- and Asian-owned businesses increasing 57 and 49 percent respectively.

Likewise, SBA-backed loans to minority businesses in Georgia have also increased significantly. From October 1, 1997 through September 23, 2005, the number of SBA loans to minority-owned business increased almost 247 percent. Number of loans to African-American owned firms have experienced the largest increase of 426 percent. SBA loans to Hispanic- and Asian-owned borrowers grew 204 and 164 percent, respectively.

These statistics demonstrate quite strongly that the future economic growth and well-being of Georgia and our country will be driven significantly by the creation, growth, and sustainability of minority-owned business.



Terri L. Denison

Oliver Cobb is the Minority Small Business Person for '05

Oliver F. Cobb Jr., President and CEO of Oliver F. Cobb & Associates LLC (OFCA) of Dalton, was selected the 2005 Minority Small Business Person of the Year by the U.S. Small Business Administration's Georgia Office.

Cobb received the SBA award at the recent Annual Minority Enterprise Development (MED) Week Luncheon in Atlanta. MED Week is sponsored by the SBA and the U.S. Department of Commerce Minority Business Development Agency (MBDA).



Cobb with SBA's Terri Denison

The luncheon was part of the 23rd annual observance of MED Week which helps to recognize the tremendous contributions minority entrepreneurs make to the economic well being of the United States.

Presenting the award to Cobb and his wife, Anita, was SBA Georgia District Director Terri L. Denison. "Oliver Cobb exemplifies the dynamics of business development in today's economy," said Ms. Denison. "His perseverance, business vision and strategic use of the assistance resources available have led to the development of an outstanding entrepreneur."

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Georgia District Has 50 Percent Jump In Community Express Loans this Year

With strong demand from business start ups, the SBA posted a 50 percent jump in the number of Community Express Loans made in Georgia during the current fiscal year, compared with FY 2004.

The Georgia District office credited some of the increased volume to four workshops held in the state for prospective borrowers seeking the loans which can be from \$5,000 to \$50,000 . They require a good credit history but no collateral. In addition, the District approved Business Loan Express (BLX) as a second Community Express lender at the start of the current fiscal year that ends on Sept. 30.

At the end of FY 2005, there had been 211 Community Express Loans approved in Georgia, compared with 139 loans made during FY 2004. Community Express Loans are designed to help small business people who are minorities, women, veterans or small businesses in lower income or rural areas.

Innovative Bank, the other Community Express lender in Georgia, was ranked as the third largest SBA lender in the state at the end of June. BLX was ranked fourth. The web site for Innovative Bank is www.innovativebank.com. The BLX website is www.blxonline.com.



SBA is Part of New "Agenda Hispana" Program

Jorge Valentin-Stone, center, SBA Business Development Specialist, was interviewed by Host Federico Feldstein, seated, for the new "Agenda Hispana" program being aired on Sunday evenings by Georgia Public Radio's statewide system of FM stations. Standing is Valeria Himmel von Kleber, a producer for the program.

SBA Joins National Urban League in New Partnership

By Nuby J. Fowler, SBA Region IV Administrator



Last October, SBA Administrator Hector Barreto announced a new strategic partnership between the Agency and the National Urban League. Since 1910, the Urban League has been working to empower African Americans to obtain economic independence, equality and civil rights. With 100 affiliate organizations in urban centers across the country, the Urban League is a natural ally to help SBA expand its outreach in the thriving African American business community.

This new partnership also presents SBA, as well as our lending and technical assistance partners, a chance to demonstrate how we can bring valuable resources to organizations which, like the Urban League, hold great national standing. With even leaner budgets ahead, forming meaningful strategic partnerships with both local and national organizations will be essential to the continued growth of SBA programs. While we are consistently breaking historic lending, training and contracting records, it only makes good business sense to continue looking for ways to expand our market.

Given the preliminary results of the 2002 national business census, there is little doubt that our hottest growth segments are with women and minority businesses. Across the board, business starts within these groups are outpacing the national average by as much as 450 per cent. While the reported five year growth rate for all businesses in the U.S. stood at percent, among African American owned business it was up by 45 percent; among Hispanics up 31 percent, and 20 percent among women.

What these numbers tell us is that the old business ownership disparities between minority and majority populations; between women and men are disappearing. The report also reveals that today's business environment is becoming a great equalizer, where effort, ingenuity and hard work are the true factors for success. It tells us too, that partnerships with organizations like the National Urban League are right on target.

Rubber Wholesalers Expands with SBA 7(a) Loan

Ranger, Georgia, in rural Gordon County, may seem like a sleepy cross-road community if you go by first impressions. But don't be fooled. Rubber Wholesalers Inc., housed in an old carpet factory off U.S. 411, is a busy Ranger business that has put the town on the map as the Southeast's fastest growing rubber recycler.

Terry Harris started his company 9 years ago as basically a wholesale producer of scrap rubber "buffings" that are taken from the tops of recapped truck tires. "Unfortunately, when I started in the business you couldn't give the stuff away," recalled Harris. "Now, it is the most sought after part of used tires."

Stuck with piles of tire buffing in the early days, Harris realized he had to find an end use for his raw material in order to make his company a success. After studying the industry for four years, including a trip to



Harris Checks Rubber Mulch at Plant

Europe where rubber recycling was at the cutting edge, Harris has created a line of products that include rubber walking trails, rubber Flex Curbs, rubber safety surfaces for playgrounds and last, but certainly not least, a loose fill rubber mulch, processed with the company's unique coloring

system, that is used for ground cover around plants and shrubs.

Harris' move to turn his company into a manufacturer of recycled rubber products has pushed sales from \$4 million in 2004 to a projected \$8 million-plus this year.

Sales reached over \$1 million in April of this year, the first time revenues had reached this mark in a single month. At the same time, the company has added over 45 plant jobs in the last five years and will reach over 80 workers by the end of the year as demand heats up for its recycled rubber mulch.

The company's rubber garden mulch is being sold coast-to-coast in 16 pound bags by a national retailer.

Two SBA guaranteed loans were made under the agency's 7(a) program that have helped finance expanded production at Rubber Wholesalers. In early 2004, Rubber

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Cobb Gets Minority Business Award

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Cobb and his wife, Anita, Vice President of Operations, have two sons, Roderick, 27, and Alex, 24, who are also employed with the company. In 1999, OFCA was accepted into the SBA's 8(a) Development Program and immediately began to diversify its operations by providing a wide range of administrative support services to federal agencies.

Since he became 8(a) certified, Cobb's company has received 12 contracts worth about \$11.5 million through the SBA program. Currently, OFCA is working on contracts with the U.S. Department of Labor, Center for Disease Control in Cincinnati, Ohio, along with the IRS and Andrews Air Force Base in Washington, D.C.

When he was growing his business, Cobb met with a counselor at the Small Business Development Center (SBDC) at Dalton State College where he got help in writing a business plan. Cobb took his business plan into another meeting with his banker who had turned him down for a line of credit. This time, he left the bank with a \$45,000 line of credit. Today, after 25 years, OFCA's banking relationship is solid. The company's line of credit was recently increased to over \$300,000.

Cobb's company had 45 employees on staff in 2003 when contract sales reached \$4.5 million. Last year, sales increased by \$3.5 million and the company's staff increased to 65 employees.

New Teen Entrepreneur Workshop Coming Oct. 18th to Georgia District

Future small business leaders from three Henry County high schools have been invited to take part in a new Teen Entrepreneur Workshop on October 18 at the SBA Georgia District Office. The students will be welcomed by District Director Terri Denison. The students are from Stockbridge High School, Henry County High School and Eagles Landing High School and will take part in the program from 9 a.m. to noon.

After lunch, the students will be given a business tour of the Chick-fil-A headquarters off Buffington Road in south Atlanta.

"The program agenda will include workshops conducted by current business professionals as well as members of SCORE and the SBDC offices in Atlanta," said Patrice Dozier, SBA Program Assistant who organized the pilot program for teens interested in a business career.

Topics being covered include Good Work Ethics, Preparing a Business Plan and Using Personal Finances in career development.

The SBA has unveiled its new teen web site, *Teen Business Link*, at www.sba.gov/teens.



Jose Blanco, left, and his brother George, the store manager, check over fresh produce that is carried by their supermarket. The facility is the anchor for Azeteca Shopping Center off Singleton Road at Jimmy Carter Boulevard in northeast Atlanta.

Owners of New "Azeteca" Supermarket Start Business with SBA Guaranteed Loan

Jose Blanco knew it would take a major investment to build the type of supermarket he needed to serve the growing Hispanic population around Norcross, in Northeast Atlanta. Fortunately he had an excellent track record to take to his banker after opening his successful Chicago Supermarket five years ago on Buford Highway in Doraville.

He and his partners used a \$400,000 SBA guaranteed loan to help finance the Chicago Supermarket which continues to do business today. In June, Blanco opened his new Supermarket Azeteca, which has 26,000 square-feet of space and was financed with a \$732,000 SBA guaranteed loan from Summit National Bank in Atlanta. "I had a very good relationship with Summit Bank since it had financed my first supermarket here," said Blanco who ran a grocery store in Chicago for 12 years before coming to Atlanta. "The confidence that the bank and SBA have shown with this new financing really made our new store doable."

Most of the packaged foods in Blanco's Supermarket Azeteca are imported directly from Mexico, the Caribbean and South America. The store's fresh produce section is joined by a large meat market containing specialty items that the Hispanic community uses almost daily. Part of the store contains a Mexican buffet restaurant that is open from noon until 8 p.m. daily. The store also stock many items from Colombia which is an attraction for the area's expanding population of Colombian immigrants.

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Wholesalers received a \$355,000 loan from Omni National Bank in Atlanta.

Its second \$400,000 loan came from Omni Bank in first quarter of this year. The first loan provided working capital and money that went to purchase the company's 40,000 square-foot plant in Ranger. The second loan was used to buy additional equipment that has made production at the plant more automated and less labor intensive.

The Small Business Development Center (SBDC) in Dalton played a vital role in helping Harris find adequate small business financing. Staff at the SBDC started working with him in late 2000 when the company had about 20 employees.

The SBDC, an SBA resource partner, also helped Harris improve his internal accounting, cash flow management and strategic planning. Revenues for 2003 closed at some 47 percent above the previous year with major improvements in operating income.

The company's rubber mulch business has grown to the point that it takes up about half of the plant production in Ranger. Since rubber weighs nearly five times more than wood fiber, the company's mulch does not scatter and will not decompose or produce fungus compared to wood counterparts.

Looking ahead, Harris plans to add two industrial mixers for coloring his recycled rubber by the first of next year. There are already six of these mixers on line.

Harris has a lot of help from his family. His wife, Susan, manages the front office while his daughter, Jennifer Harris, is plant manager. His son, Michael, is a production shift manager. A graduate of North Cobb High School, Harris ran an interior construction business in Atlanta for six years before going into recycling.

SCORE Members Help Katrina Victims at Atlanta Rescue Centers

Atlanta SCORE volunteers assisted over 100 evacuees from Hurricane Katrina at four rescue centers that were set up in Atlanta shortly after the disaster. John Astleford Jr. coordinated the SCORE Katrina Disaster Initiative.

"We had eight people fill out forms," said SCORE member Dave MacKenzie at the Cobb Red Cross site. "All had businesses ranging from Landscaping to Internet Sales. Some want to re-establish here and some want to rebuild back in New Orleans."

"We had 17 members working these centers," said Fred Abood, SCORE Georgia District Director. "Some of these people worked six and seven days a week providing counseling at the centers." Abood called the SCORE effort to provide counseling to these business owners a work in progress. "We believe we can provide a service to these folks long after the Red Cross centers close." The SBA offers low-interest loans to homeowners, businesses and non-profit organizations for losses from Katrina. So far, 15 Disaster Recovery Centers have opened in Louisiana.



Pat Travisano, left, and Dave MacKenzie at Katrina rescue Center